GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1460
ANSWERED ON:24.07.2002
AFFECT OF RECESSION IN STEEL INDUSTRY
BIR SING MAHATO;RAJO SINGH

Will the Minister of STEEL be pleased to state:

(a) whether the Steel Industry of Public and Private Sector is being affected by the recession prevailing in economy since long time and the financial condition of Steel Industry has been deteriorated due to high accumulation of end products during the year 2001-2002;

(b) if so, the reaction of the Government thereto; and

(c) the steps taken by the Government to improve the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Yes, Sir. The Steel Industry in general both in Public and Private Sector has been affected by the slow down in the economy. The lower demand from the end-using sectors, including infrastructure, is among the many factors that affected the financial performance of the steel industry. The industry has shown some promise of recovery in recent months.

(b)&(c): Government is closely monitoring the prevailing situation in the steel industry and has taken the following steps to improve the situation:

i) reducing cost of import through reduction of import duties on raw material,

ii) providing a reasonable level of protection to the domestic industry through import tariffs and floor prices,

iii) support to industry efforts in market expansion in the country as well as abroad,

iv) constitution of a National Campaign Committee to promote steel consumption through development of markets especially in the rural areas,

v) encouraging usage of steel in new application areas such as grain storage systems, crash barriers in highways and expressways,

vi) providing financial support to R&D ventures in iron and steel sector.